

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

N.V.E., INC.,

Plaintiff,

v.

JESUS J. PALMERONI, a/k/a JOSEPH
PALMERONI, VINCENT ROSARBO,
NATIONAL RETAIL CONSULTING GROUP,
INC., AMERICAN WHOLESALE
DISTRIBUTION, INC., GLOBAL
MARKETING & SALES GROUP, LLC, and
VAR CONSULTING, INC.

Defendants.

Civil Action No.
2:06-cv-05455 (MCA)(LDW)

STATEMENT OF THE CASE

Plaintiff N.V.E., Inc. is a corporation based in Andover, New Jersey that manufactures, distributes, and sells nutritional supplements. NVE is represented by Samuel Samaro and James Boyan of Pashman Stein Walder Hayden. The two defendants are Jesus Palmeroni (a/k/a Joe Palmeroni) and Vincent Rosarbo. They are representing themselves. NVE employed Palmeroni from 1999 to 2006—initially as a salesperson but later promoted him to Vice President of Sales. NVE employed Rosarbo salesperson from 2001 to 2004.

NVE alleges that Defendants engaged in two fraudulent schemes during and after their employment with the Company. NVE claims that Palmeroni demanded and received kickbacks from several of the Company's product brokers from 2001 to 2009. In the second alleged scheme, which NVE describes as the distribution scheme, NVE claims that Palmeroni, along with his co-defendant, Vincent Rosarbo, diverted product sales from NVE to their own competing companies. That was accomplished, according to NVE, by creating a sham entity

called Smart World to obtain NVE products at low prices intended for overseas markets and then reselling those products to NVE's domestic customers, resulting in millions of dollars of improper profits to Defendants and the corresponding loss of millions of dollars to NVE.

Defendants deny NVE's allegations. Palmeroni claims that NVE's President, Bob Occhifinto, permitted him to solicit and receive payments from the Company's brokers in exchange for his having convinced the brokers to accept lower commission rates overall. Palmeroni admits that he was a fifty percent partner in Smart World, but he claims that it was run by Mr. Rosarbo and that he had no knowledge about how the money was made. Rosarbo claims that Mr. Occhifinto told him that he was to sell off excess inventory, including expired and mislabeled product, any way that he could, and that by buying and selling through Smart World, he was only carrying out Occhifinto's directives.